

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF TIM AND) APPEAL NO. 07-A-2734
JAYNE REED from the decision of the Board of) FINAL DECISION
Equalization of Boise County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing December 14, 2007 in Idaho City, Idaho before Presiding Officer Steven Wallace. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellants Tim and Jayne Reed appeared at hearing. Assessor Brent Adamson and Deputy Assessors Brandee Kline and Amber Mello appeared for Respondent Boise County. This appeal is taken from a decision of the Boise County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. RP08N05E095905A.

The issue on appeal is the market value of a residential property.

The decision of the Boise County Board of Equalization is affirmed.

FINDINGS OF FACT

The subject property's assessed land value is \$231,200. Appellants are challenging the land value and request it be reduced to \$93,610.

The subject property is an improved parcel located near the South Fork of the Payette River. Subject's land size is 2.39 acres. Appellants testified the Forest Service owns land between subject and the river. Subject is located on a bluff above the river. The intervening Forest Service property includes a small portion of the bluff and down the cliff to the river's edge. Markers for the boundary line of the Forest Service property are located on the bluff as shown in Appellants' photographs.

Subject was originally purchased in two parcels, one parcel from the neighboring church

camp and the other parcel from the Forest Service. The Forest Service sale was based on the fact that a private house was partially located on their land. The church property sale followed many years of rental by Appellants. These sales were not considered open market, arm's-length transactions.

Appellants considered the 272% increase in subject's assessed value from 2006 to 2007 as excessive and outrageous. They expected about a 10% to 12% annual increase. The Respondent explained the annual increase over the last few years has averaged about 10% to 12%. According to the Assessor however, the tax year 2007 saw a greater increase.

The 2007 increase was believed by Appellants to be due to an "inappropriate tax categorization." Subject is classified (described) as recreational riverfront property. Appellants contend recreational riverfront property should be river accessible for recreation. Further Appellants believe the Forest Service ownership of part of the bluff and down the hill to the river makes subject a non riverfront property. Photographs of the subject property and the bluff and steep slope to the river were furnished by Appellants.

From the Government Patent of subject and the plat, Respondent believed the subject property extends to the river. The County agreed the frontage on the river was very steep but reported there was no market data supporting the contention that steeper river frontage sells for less. For valuation purposes, the Assessor did classify subject as river frontage. However it was reported the property was not classified as "recreational." Countywide, land is grouped into "tables of value", or "classes of value tables." Riverfront tables include property described or characterized as having river access and river accessibility.

Answering a question about the 272% increase, the Assessor explained there had been a lack of river property sales information that left subject's and similar property's values low.

Recent sales indicated prior year assessed values had to be raised significantly to reflect current market values. Insufficient sales information made tighter or more precise divisions or classifications of river properties unreasonable. No evaluation of front footage, access, and available beach was attempted due to this lack of information. Price per acre was considered the best unit of comparison with economy of scale adjustments, i.e. the larger the parcel, the less value per acre. Subject's land size and assessed land value was well within the boundaries of Respondent's presented sales information. Appellants did not present alternate comparable sales information.

Two of Respondent's comparable sales were tear-downs (improvements removed after sale.) One of the properties sold for slightly less than its assessed value and one sold for more than the assessed value. Also furnished were four bare land sales of riverfront lots. Of the four, three were in 2006 and one in 2005. The four sales ranged in price per acre from \$37,500 to \$286,667. Subject was assessed for \$91,297 per acre. Few details, descriptions or adjustments were furnished on these sales. Appellants believed these sale properties were not comparable to subject in location, facilities available or waterfront topography and access.

The Assessor testified 2006 had many more sales throughout the county than in prior years and that the sales demonstrate buyers purchased at higher prices.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The Assessor is required to assess all taxable property. Idaho Code 63-314 describes

this requirement as follows:

(1) It shall be the duty of the county assessor of each county in the state to conduct and carry out a continuing program of valuation of all taxable properties under his jurisdiction pursuant to such rules as the state tax commission may prescribe, to the end that all parcels of property under the assessor's jurisdiction are assessed at current market value.

Market value is defined in Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable offer of full cash payment.

Appellants presented photographs showing property line markers along the top of the cliff above the river which supported the contention that the Forest Service owns property between subject and the river.

Respondent presented recent, so-called riverfront sales, but did not present many details on physical characteristics other than acreage. According to the Respondent, there are not enough sales to allow a more precise division of these river corridor/river influence properties. The question before the Board, is whether full or direct river frontage – as believed to be represented by the sales – is valued by the marketplace the same as river-influenced property situated on the bluff directly over the river and separated from the river by a small public land strip?

The Board found subject's use and enjoyment certainly was affected by the river's proximity. The property enjoys a kind of second-tier orientation to the river. Access to the riverbank is limited by the steepness of the cliff, but numerous other river-related attributes are present. Though the consideration of other sales and analysis might have been possible, it was not unreasonable for the County to consider the question of the subject's land value as it

reportedly did.

The Board empathizes with the large, one-year increase in subject's assessed value, but without some more probative value evidence from Appellants, such as timely comparable sales information, an expert witness, or an independent fee appraisal, the requested value was unsupported. Therefore the Board will affirm the Boise County Board of Equalization's decision.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Boise County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED March 7, 2008